



**NAMA KHOI MUNICIPALITY
DRAFT ANNUAL REPORT**

2014/2015

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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FORWARD

The Nama Khoi Municipality is found in the heart of the Namaqualand within distance of other typical Namaqualand municipalities such as Khai Ma, Richtersveld and Kamiesberg and about 750 kilometres southwest of Kimberley, the provincial capital of our province, the Northern Cape. Springbok is the administrative capital of both Nama Khoi and the Namakwa District. The name Nama Khoi refers to the indigenous Nama-people who were a caring people and Nama Khoi Municipality strives to adhere to this goal. At the centre stage is our vision to utilize the limited resources of the municipality in an accountably manner in order to deliver an outstanding service to the community and stimulate economic development in the area.

Reflecting on the past year, one is pleased that despite the many challenges we faced, the municipality managed to deliver on the mandate given by the community which is reflected in the IDP's key performance areas which find expression in:

(i) Basic Services and Infrastructure

We ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and water and storm water services to all residents. As at 30 June 2015 12 868 households had access to basic level of water, 10 999 households had access to basic level of sanitation, 98% of households had access to basic level of electricity and 100% of households had access to solid waste removals. These crucial services were delivered despite challenges such as graders, cherry pickers and refuse compactors breakdowns, as well as shortage of staff in these critical departments. We need also bear in mind that the increase in households led to an increase in backlogs in these basic services.

(ii) Good Governance and Public Participation

The Council has become functional and the number of meetings and implementation of resolutions is a good indicator thereof. The interactions that we have had with all the communities during the budget and IDP activities, demonstrate that the people's wisdom in both policy development and implementation can only serve to enrich the quality of the services we render and make people-centered and people-driven development decisions and reality.

(iii) Local Economic Development

The number of jobs created through the municipality's local economic development initiatives, including capital projects was 404 at the end of the fourth quarter. The Municipality will continue to review its Supply Chain Management policy in order to attract more locally based businesses especially from the previously disadvantaged communities.

Furthermore, the municipality utilized the Expanded Public Works Programme as one of the tools alleviating poverty and income relief to create jobs and improving the lives of the community.

(iv) Municipal Financial Viability and Management

The key challenge at any municipality is to create a financially viable institution through strategic and sustainable budgeting, revenue protection and debt control. Financial management at Nama Khoi Municipality has an external focus, meaning that financial management focuses on funds the municipality uses in order to function and funds generates through its activities. Our internal focus is to analyse what can be done to improve internal systems whereof debt collection is the major and most important one. The current financial ratios (debt coverage, service debtors to revenue and cost coverage) make financing decisions very challenging.

(v) Municipal Transformation and Institutional Development

Nama Khoi Municipality strives to employ in compliance with the municipality's approved employment equity plan and improve municipal performance. Critical posts have been filled in an acting capacity the past financial year, including that of municipal manager.

The competency of our political leadership has been tested through and through, but the progress on the Turn-Around Strategy of our municipality was evident that challenges in local government could be overcome. We made commitments that things will slowly change for the better. We managed to come out of a disclaimer audit opinion to a qualified one last year and now work even harder to reach the ultimate goal of a clean audit. We have also developed an Action Plan (OPCAR) to address shortfalls and implement corrective measures.

Despite our load of challenges, whereof a sound financial cash flow is the biggest, we herewith acknowledge with appreciation the efforts and dedication of our councilors, staff members, stakeholders and citizens in ensuring that we can achieve the national outcomes in our communities by meet overall objectives, enhance service delivery and work as a collective towards a common goal.

We table this report for the 2014/15 financial period to the Municipal Council, in terms of section 127 (2) of the Local Government Municipal Finance Management Act, Act 56 of 2003.

CLR JF VAN WYK
MAYOR

1.2 MUNICIPAL MANAGER'S OVERVIEW

It is expected that all public institutions must account to their clients every year. This happens at the end of the financial year, they must report on how they performed against their pre-determined objectives and how they spent the money allocated to them in that year. In this regard, Nama Khoi Municipality will give full account of its performance.

Nama Khoi Municipality Annual Report for 2014/2015 financial year was compiled in line with the Local Government Municipal System Act 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003, as well as other legislation which governs local government.

The financial year offered some unique challenges, the latter especially on the poor financial position. It was particularly a challenging year for our administration, the Municipal Manager post still vacant, the CFO, Head Corporate Service and Divisional Head Project Management were suspended. The contracts of 54 employees who unprocedurally appointed, were terminated. The municipality is committed to ensuring that they appoint competent staff in key positions.

Management acted by implementing a further and stricter control approach, cutting back on any "nice to haves" without negatively effecting service delivery, with emphasis on service delivery remaining our CORE function.

On the positive side it is appropriate to report that Nama Khoi Municipality achieved a qualified audit for 2013/2014 after a series of disclaimers for many years. This was all made possible through the dedication and hard work shown by the officials, the Councilors and its committees. The challenge is now to maintain this achievement.

A new system of land use management and development is in process of being implemented. The system entails a uniform system for dealing with development in South Africa. This is the new Spatial Planning and Land – use Management Act, Act 16 of 2013. Nama Khoi Municipality has put systems in place to be ready to implement Spluma.

Unique to Nama Khoi but common to the entire country, poverty and unemployment remain key challenges in the municipal area. However, the municipality maximized EPWP Programs and similar job creation initiatives to cater for the high levels of unemployment rate.

MUNICIPAL FINANCE

The Municipality's financial position remained unhealthy for the 2014/2015 financial year. This is caused by consumers' failure to pay their accounts. The municipality did not also enforce its credit control fully due to many reasons. With the poor financial position, the

municipality was able to pay salaries and its major creditors like ESKOM and Sedibeng Water Board. The municipality did not use an overdraft to fund its obligations.

The cash flow statement shows that the municipality had a balance of R6 827 980 in the primary bank account at year end.

DEBTORS

The total debtors outstanding as at 30 June 2015 were R87 380 797. Debtors has increase by R 13 618 416 for the financial year, this an average of R 1 134 868 per month. The increased outstanding debtors hampers has the municipality ability to fulfill all its duties.

Debtors outstanding for a period more than a year amounts to R65 350 548. Businesses and state departments owes the municipality R31 494 389 of which R21 845 632 are outstanding for more than a year. Monies outstanding for electricity and water are R 25 538 214 and R 21 027 880 respectively.

CREDITORS

The main creditors of the municipality are ESKOM and Sedibeng Water Board. The previous regime in this municipality failed to service the accounts properly. The accounts of ESKOM and Sedibeng Water Board accumulated interests that are now difficult for the municipality to pay. The figures are clearly reflected on the annual financial statements for 2014/2015.

The service charges for water and electricity expenditure are more than the income derived for supplying the services, the MFMA states that these to services should have a positive variance to ensure sustainability. The fact that the municipality does not make profit on these two services further adds to inability to pay creditors.

COLLECTION RATE

Towards the end of the fourth quarter the municipality started to fully enforce the Credit Control Policy. Due to this enforcement of the policy the collection rate improved dramatically. Actual income received showed that the municipality collected 85% for the month of June 2015.

The calculation takes into account the monthly billing plus the outstanding debt. However, the overall collection rate has improved but out of it 12,13% is for outstanding debts, which is very low. This means vigorous action must be taken to improve the collection on the raising debt.

The years ahead require innovative strategic thinking by the municipality, something to which we have committed ourselves unconditionally. We already identified and documented our most crucial risks, and are busy implementing action plans in respect of such risks to ensure our stability in the long term.

Despite all those challenges, the municipality was able to render services to the ratepayers during the past year. The municipality will continue doing so, to deliver high quality services despite the challenges we face.

MIG (MUNICIPAL INFRASTRUCTURE GRANT)

Allocation for the Year	Rollover	Total MIG Funding	Expenditure
13 979 000	14 500 000	28 479 000	7 043 915
% on Total MIG Funding = 24.73%			
% on Allocation for the year = 50.39%			
% on Allocation for the year = 48.58%			

The ward committees play a pivotal role in public participation. Each of the nine wards of the Municipality has a ward committee. They assist in organizing meetings with the community. They also act as a link between the Municipality and the residents. COGHSTA also conducted training for the ward committees. The role of the Municipality and the ward committees was clearly defined during the training process.

The long term sustainability of the Municipality would heavily depend on its ability to attract investment and maximize inter-governmental allocations that would facilitate further economic growth.

I wish to take this opportunity to thank the residents for their continued support for our municipality's programs and initiatives. I also want to thank the Councilors and the staff for playing their roles in ensuring that Nama Khoi Municipality is rebuilding again and provide basic services to the consumers in this municipal jurisdiction.

MR MP DICHABA
ACTING MUNICIPAL MANAGER

1.3 MUNICIPAL OVERVIEW

OVERVIEW ON WARDS OF NAMA KHOI MUNICIPAL AREA

The municipality is structured into nine (9) wards and is summarized in the table belows:

WARD	AREAS/TOWNS
1	Concordia ; Gamoep (2 farms)
2	Steinkopf; Rooiwal; Goodhouse; Vioolsdrift; Henkries.
3	Steinkopf; Bulletrap
4	Harmony Estate; Carolusberg; Fonteintjie; Springbok
5	Bergsig
6	Okiep ; Zhouroep; Rooiwinkel
7	Vaalwater; Matjieskloof
8	Buffelsrivier; Kommaggas; Kleinzee
9	Nababeep

Springbok

Springbok is the largest town in the Namaqualand area in the Northern Cape province of South Africa. It is located on the N7 national road which connects the Cape with Namibia, and at the western end of the N14, which connects it with Upington and Pretoria. It is the main town of the Nama Khoi Local Municipality, which also includes a number of surrounding towns such as Okiep and Nababeep.

The town lies at an altitude of 3300 feet (1000 m) in a narrow valley between the high granite domes of the *Klein Koperberge* (Small Copper Mountains). This name gives away the reason for the early settlement which gradually turned into a major commercial and administrative center for copper mining operations in the region. Even though mining activities have dwindled, the town remains an important administrative capital in the region and due to its location a favorite stopover for tourists on their way to Namibia. Today the main income is generated from tourism, mining activities, commerce and farming.

The streets lead off from a central little "*koppie*" (hill) which now shows off Namaqualand's strange flora, such as the almost leafless Quiver tree whose branches were used by Bushmen to hold their arrows. This area is famed for the incredible transformation which occurs every spring, when the near-lifeless scrubland explodes into colour from thousands of flowers hidden in the dry dusty earth, brought to life by winter rains. One of the best places to view this phenomenon is at the Goegap Nature Reserve, a short distance south-east of the town. Apart from its spring flowers and various large antelope species, the reserve is also known for its collection of rare drought resistant succulents.

The old Dutch Reformed Church in Springbok, situated in the heart of the town.

The "*Klipkoppie*" provides an excellent vantage point across the valley. Next to the "*Klipkoppie*" and the Springbok Café is the beautiful "*Klipkerk*" (Stone Church) which was built in 1921.

as it provided an excellent vantage point across the valley. Remains of stone walls inside the koppie can still be seen today. Next to the "Klipkoppie" and the Springbok Cafe is the beautiful *Klipkerk* (Stone Church) which was built in 1921.

Kleinzee

Kleinzee is a small diamond mining town on the west coast of the Northern Cape Province and owned by De Beers. It is located in the arid Namaqualand region, 100 km west of the regional capital Springbok. The Buffels River flows through Kleinzee, but most of the time it is just a dry river bed and this river actually flows approximately every ten years. Its population size was considerably reduced by the down-scaling of mining activities. The Nama Khoi Municipality is currently in the process of taking over services in town due to down-scaling of mining.

Concordia

Concordia was originally established as a Rhenish mission station in 1852 and copper mining began in 1853 through to 1983 in the area. The town is of historical interest because it is situated at the origin of mining endeavors in South Africa. Long before colonial times (prior to 1652), the indigenous peoples (the Khoisan or Nama) of the area, extracted raw or "native copper" from the gneiss and granite hills that make up the surrounding Namaqualand Copper belt. This copper was beaten into decorative items, worn as bangles and neck adornments by these peoples. The copper boom of the late 19th century through to the early nineteen eighties has all but ceased in the area.

There is currently a granite works at Concordia where large blocks of the stone are quarried and cut into large (up to 50 tons) blocks for transport to Cape Town where the Granite is exported and used domestically.

The granite ore bins of the Tweefontein Mine have outstanding examples of Cornish stone masonry. The New Prospect Mine houses another granite ore bin in excellent condition.

Orbicule Hill is a declared heritage site situated just west of Concordia. Exiting the finest example of orbicular diorite in the country, the rare rock texture is the result of granitic magmas separating while in a fluid state which forms concentric internal banding.

The Rhenish Mission Station was established in 1852 in the same year in which copper was discovered by European prospectors in the area. The United Reformed Church is a stone church building erected in 1875 by Cornishmen, with the original organ dating back to 1915. It is a fine example of outstanding stone masonry.

Okiep

Okiep is a small town in the Northern Cape province of South Africa, and was in the 1870's ranked as having the richest copper mine in the world. The town is on the site of a spring

that was known in the Khoekhoe language of the Nama people as *U-gieb* (*large brackish place*) and was originally spelled as *O'okiep*. Today the main income is generated from tourism. Within the town itself are no job permanent job opportunities and most of its residents are working in Springbok, other towns of the province or either outside the province.

Nababeep

Nababeep Copper-mining town in Namaqualand, 16 km north-west of Springbok. Founded in 1860 by the Cape Copper Company. The name is of Khoekhoen origin and means 'rhinoceros place'.

Steinkopf

Steinkopf is a town some 45km north-north-west of Springbok. Formerly known as Kookfontein, it was established as a mission station of the London Missionary Society, but was later taken over by the Rhenish Mission. Named after the Reverend Dr Steinkopf, who visited England in 1842.

VISION AND MISSION

The Vision and Mission of Nama Khoi Municipality are as follows:

VISION

To proudly deliver sustainable and climate resilient quality services to the entire Nama Khoi community.

MISSION

To deliver outstanding service to the community and to stimulate economic development in the region with the focus on the previously disadvantaged.

This Annual Report is drafted in terms of the Local Government: Municipal Finance Management Act, Act 56 of 2003 and the Municipal Systems Act, Act 32 of 2000. We table this report for the 2014/15 financial period to the Municipal Council, in terms of section 127 (2) of the Local Government Municipal Finance Management Act, Act 56 of 2003.

1.3.1 SOCIO ECONOMIC PROFILE OF NAMA KHOI MUNICIPALITY



Population & Household Size

The Nama Khoi LM covers a geographical area of 14,921 km² which is approximately 12% of Namakwa's total. The Municipality has a population density of 3.9 people per km² and a household density of 1.1 households per km². The most significant portion of Namakwa's population (43%) resides in this Municipality

TABLE : POPULATION & HOUSEHOLD TOTALS

Municipality	Total Population		Population Growth Rate (1996-2001)	Total population	Population growth Rate (2001-2011)
	1996	2001		2011	
Nama Khoi Municipality	43 841	44 900	0,5	47 041	0,5
Namaqua District	109 603	108 111	-0,3	115 842	0,7
Northern Cape	1 011 864	991 919	-0,4	1 145 861	1,4

The average population growth rates between 1996 and 2010 were: 0.6% for the Northern Cape Province, 0.4% for the Namakwa DM, and 0.8% for the Nama Khoi LM. Table 1.1.2 indicates the population distribution of the main-places in Nama Khoi LM.

Table : POPULATION DISTRIBUTION (NAMA KHOI LM)

Population Group	Black African	Coloured	Indian or Asian	White	Other	Total
Nama Khoi	1 959	41 425	219	3 084	353	47 041
Ward 1	61	5 130	29	238	31	5 489
Ward 2	344	4 910	14	142	67	5 477
Ward 3	85	4 531	9	22	36	4 684
Ward 4	354	1 333	32	2 033	63	3 815
Ward 5	250	4 935	28	22	32	5 267
Ward 6	229	5 735	17	67	63	6 111
Ward 7	169	4 915	18	129	14	5 246
Ward 8	244	4 860	46	200	35	5 386
Ward 9	223	5 077	25	230	10	5 566
Total	1 959	41 425	219	3084	353	47 041

This indicates that the communities within the Nama Khoi LM are much dispersed. The town of Springbok has the largest population. Towns such as Buffelsrivier, Bulletrap, Carolusberg, and Vioolsdrift are very small and contain small populations. Development potential in very small towns will be very low.

Table : AGE DISTRIBUTION

Nama Khoi	Total Population			Population growth Rate (1996-2001)			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	2 241	2176	4 417	1992	1932	3925	1968	1789	3757
5-9	2 334	2282	4 616	2187	2136	4323	1966	1830	3795
10-14	2 329	2485	4 814	2341	2304	4645	2137	2009	4146
15-19	2341	2320	4661	2208	2304	4512	2319	2128	4447
20-24	1795	1743	3 538	1896	1774	3670	1839	1773	3613
25-29	1715	1849	3 564	1877	1686	3562	1712	1735	3450
30-34	1533	1748	3 281	1766	1790	3556	1641	1677	3318
35-39	1399	1527	2 926	1531	1636	3167	1613	1622	3234
40-44	1292	1413	2 705	1394	1509	2903	1568	1778	3346
45-49	1070	1137	2 207	1325	1440	2765	1456	1592	3407
50-54	908	954	1 862	1052	1107	2159	1291	1425	2716
55-59	762	740	1 502	836	908	1744	1137	1276	2413
60-64	535	597	1 132	656	756	1412	890	1002	1892
65-69	384	454	838	426	569	994	671	799	1471
70-74	216	327	543	303	376	679	500	576	1076
75-79	169	228	397	144		403	257	393	650
80-84	120	178	298	105	162	267	137	241	378
85 +	76	129	205	61	153	214	110	183	293
Total	21 217	22 286	43 503	22 099	22 801	44 900	23 215	23 826	47 041

The high proportion of potentially economically active persons implies that there is a larger human resource base for development projects to involve the local population and potentially a lower dependency rate due to the lower numbers of youth and old aged persons. However, the youth still represent a large proportion of the population, which means that even though the percentage of youth is less than that of the District, focus still needs to be placed on youth development.

Table : Gender

The Nama Khoi gender distribution is 48.8% males and 51.2% females. The gender ration can consequently be expressed as 95.1 males per 100 females.

Population Group	Male	Female	Total
Nama Khoi			
Ward 1	2658	2831	5489
Ward 2	2703	2773	5476
Ward 3	2245	2439	4684
Ward 4	1862	1953	3815
Ward 5	2594	2674	5268
Ward 6	3007	3104	6111
Ward 7	2629	2617	5246
Ward 8	2780	2606	5386
Ward 9	2738	2829	5567
Total	23 215	23 826	47 042

Table : Dwelling Type

Table indicates the types of dwellings households reside in the Nama Khoi LM.

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Type of dwelling										
House or brick/concrete block structure on a separate stand or yard or on a farm	1,616	1,349	1,180	1,140	1,201	1,579	1,173	1,361	1,344	11,942
Traditional dwelling/hut/structure made of traditional materials	12	62	3	8	1	29	1	11	15	141
Flat or apartment in a block of flats	25	71	4	106	38	7	1	81	6	340
Cluster house in complex	-	-	-	-	-	-	-	-	-	-
Townhouse (semi-	1	-	-	10	-	-	-	2	-	13

detached house in a complex)										
Semi-detached house	1	-	-	1	1	-	-	-	-	4
House/flat/room in backyard	6	9	13	14	20	22	1	9	25	119
Informal dwelling (shack; in backyard)	3	11	6	4	30	8	56	7	2	125
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	6	46	2	2	3	5	63	93	-	221
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	7	1	2	2	7	6	2	38	6	72
Caravan/tent	8	13	1	-	4	3	2	8	2	41
Other	6	76	6	5	2	8	10	58	6	177
Unspecified	-	-	-	-	-	-	-	-	-	-
Not applicable	-	-	-	-	-	-	-	-	-	-
Total	1,691	1,639	1,216	1,292	1,308	1,667	1,308	1,666	1,407	13,193

Housing Backlog

SETTLEMENT	BACKLOG	NEED
Vaalwater / 7 de Laan	500	350
Bergsig	500	350
Steinkopf	1500	800
Concordia	500	150
Nababeep	500	320
Okiep	650	350
Komaggas	450	200
Buffelsrivier	350	100
Matjieskloof	500	150
Goodhouse	150	50
Rooiwal	250	50
Vioolsdrift	350	50

Fonteintjie	150	50
Carolusberg	450	50
Rooiwinkel	150	50
Kouroep	100	30
Skietbank	250	50
Bulletrap	150	50
Total Housing backlog / need	7500	3200

Business Plans submitted to COGHSTA (Pending Approval)

Nababeep	200 houses	R 22 600 000.00
Vaalwater	100 houses	R 11 300 000.00
Steinkopf (Catalytic project)	500 houses	R 119 600 100.00
7 de laan	500 houses	R 56 500 000.00
Bergsig	500 houses	R 56 500 000.00
Buffelsrivier	150 houses	R 16 950 000.00
Bulletrap	150 houses	R 16 950 000.00
Carolusberg	400 houses	R 45 200 000.00
Concordria	500 houses	R 56 500 000.00
Fonteintjie	150 houses	R 16 950 000.00
Goodhouse	150 houses	R16 950 000.00
Komaggas	400 houses	R 45 200 000.00
Kouboegas	100 houses	R 11 300 000.00
Kouroep	100 houses	R 11 300 000.00
Matjieskloof	400 houses	R 45 200 000.00
Nababeep	500 houses	R 56 500 000.00
Okiep	650 houses	R 73 450 000.00
Vioolsdrift	100 houses	R 11 300 000.00
Rooiwal	250 houses	R 28 250 000.00
Rooiwinkel	150 houses	R16 950 000.00
Skietbank	250 houses	R 28 250 000.00
Steinkopf	1500 houses	R 169 500 000.00

The majority of households in the Nama Khoi LM are housed in a permanent house or brick structure. This is a positive indicator in terms of the development levels and quality of life in the area.

Table : Income Levels

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Annual household income										
No income	156	198	148	97	70	197	138	170	78	1,250
R 1 - R 4800	42	63	32	7	20	33	37	76	23	332
R 4801 - R 9600	87	126	59	13	26	65	85	145	56	663
R 9601 - R 19 600	341	358	242	64	174	325	203	322	270	2,298
R 19 601 - R 38 200	371	344	273	132	231	348	305	377	357	2,738
R 38 201 - R 76 400	302	266	220	204	269	328	293	253	276	2,412
R 76 401 - R 153 800	219	178	146	262	230	182	164	169	194	1,743
R 153 801 - R 307 600	108	73	59	240	173	146	64	94	118	1,076
R 307 601 - R 614 400	50	21	31	192	88	36	15	45	32	508
R 614 001 - R 1 228 800	10	4	5	59	17	4	3	10	4	116
R 1 228 801 - R 2 457 600	2	5	1	10	1	1	2	-	-	21
R 2 457 601 or more	3	3	1	12	10	2	1	4	-	36
Unspecified	-	-	-	-	-	-	-	-	-	-
Total	1,691	1,639	1,216	1,292	1,308	1,667	1,308	1,666	1,407	13,193

Within the Nama Khoi LM:

- 57.7% of households fall within the poverty level which is lower than the Namakwa DM and the Northern Cape Province
- 39.1% of households earn a middle-income salary which is higher than the Namakwa DM and the Northern Cape Province
- 3.2% of households earn a high-income salary which is higher than the Namakwa DM but lower than the Northern Cape Province

Access to basic services -(Census 2011)

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Piped Water										
Piped water (tap) inside dwelling / institution	1 306	950	939	1 203	1 183	1 274	949	935	1 145	9 883
Piped water (tap) inside yard	319	511	262	60	118	353	303	604	235	2 765
Piped water (tap) on community stand: distance less than 200m from dwelling/ institution	7	49	2	15	2	9	6	13	4	107
Piped water (tap) on community stand: distance between 200m and 500m from dwelling/	8	2	-	3	-	3	3	-	2	20

institution										
Piped water (tap) on community stand: distance between 500m and 1000 (1km) from dwelling/ institution	5	-	2	1	-	1	2	-	-	11
Piped water (tap) on community stand: distance greater than 1000m from dwelling / institution	2	8	2	-	-	-	1	2	2	17
No access to piped (tap) water	45	118	9	10	7	27	45	112	18	390
Unspecified	-	-	-	-	-	-	-	-	-	-
No access to piped (tap) water										
Total	1 691	1 639	1 216	1 292	1 308	1 667	1 308	1 666	1 407	13 193

Access to Toilet Facilities

Nama KhoiMunicipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Toilet facilities										
None	42	227	10	45	27	46	92	109	29	628
Flush toilet (connected to sewerage system)	777	778	1 005	1 203	1 267	924	956	584	884	8 377
Flush toilet (with septic tank)	396	227	33	1	1	282	21	331	147	1 440
Chemical toilet	106	20	2	-	-	81	2	15	7	232
Pit toilet with ventilation	239	303	104	19	-	170	91	264	185	1 374
Pit toilet without ventilation	96	58	56	9	4	123	101	295	128	869
Bucket toilet	20	19	4	3	5	18	25	58	3	155
Other	14	8	3	12	4	21	21	10	24	118
Total	1691	1639	1216	1292	1308	1667	1308	1666	1407	13193

Energy or fuel for cooking by Ward

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Energy or fuel for cooking										
Electricity	1 483	1 355	1 185	1 193	1 237	1 539	1 162	1 492	1 366	12 011
Gas	119	52	18	79	39	63	56	26	24	477
Paraffin	1	14	-	1	1	2	1	-	2	23
Wood	81	212	8	10	20	35	78	121	11	576
Coal	1	-	-	-	-	1	-	-	-	2
Animal dung	1	-	-	-	-	1	1	-	1	5
Solar	-	3	1	-	2	3	8	4	-	20
Other	1	1	-	7	1	-	-	-	-	11
None	3	2	3	1	9	22	3	22	3	68
Unspecified	-	-	-	-	-	-	-	-	-	-
Not applicable	-	-	-	-	-	-	-	-	-	-
Total	1 691	1 639	1 216	1 292	1 308	1 667	1 308	1 666	1 407	13 193

Energy or fuel for lighting by Ward

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Energy or fuel for lighting										
Electricity	1,532	1,403	1,206	1,259	1,281	1,580	1,187	1,541	1,374	12,362
Gas	2	2	-	4	-	1	1	7	-	17
Paraffin	6	33	2	2	-	3	4	9	-	59
Candles (not a valid option)	97	191	5	23	23	65	94	99	24	620
Solar	50	9	1	3	3	3	16	8	3	97
None	4	2	3	-	2	14	6	2	6	38

Source of Water per Ward

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Source of water										
Regional/local water scheme (operated by municipality or other water services provider)	1,424	1,362	1,196	1,261	1,282	1,653	1,180	1,186	1,370	11,914
Borehole	201	25	13	12	4	2	59	50	14	380
Spring	2	3	-	4	-	2	3	6	-	20
Rain water tank	11	2	-	-	6	-	-	2	-	20
Dam/pool/stagnant water	2	5	-	1	3	-	15	308	3	337
River/stream	8	76	3	-	4	-	-	1	-	91
Water vendor	18	3	-	2	9	1	2	-	3	39
Water tanker	3	138	1	3	-	5	6	13	6	174
Other	23	24	3	9	1	4	44	101	10	219

The majority of households within the Nama Khoi LM have access to services (i.e. water, electricity, sanitation, and refuse removal). Even though this is a good indication of the service delivery in the area it does not mean that these services are provided constantly. Some of the problems include:

- There are severe water problems in the Nama Khoi LM (as in the entire Northern Cape) and the boreholes are very unreliable. More needs to be done to secure and save the water sources and increase their capacity so that water is available every day.

The Municipality renders services to households and therefore adopts the view that the number of households has increased between 2001 and 2011.

The increase in the number of households, particularly in the rural areas where there are minimal services has increased backlogs in electricity provision, housing needs, roads, access to water and sanitation needs.

SOURCES: (STATSSA/Nama Khoi Local Economic Development Strategy)

1.3.2 THE NATURAL ENVIRONMENT

The Environment is a concurrent National and Provincial competency in terms of Part A of Schedule 4, of the Constitution. The Local Government Municipal Systems Act, Act 32 of 2000 requires municipalities to work together with other organs of state to contribute to the progressive realisation of the right to environment (Section 23). The Bill of rights (Section 24) states that

*“Everyone has
the right-*

- a) to an environment that is not harmful to their health or well-being; and*
- b) to have the environment protected, for the benefit of present and future generations through reasonable legislative and other measures that;*
 - i. prevent pollution and ecological degradation*
 - ii. promote conservation*
 - iii. secure ecologically sustainable development and use of natural resources while*
- c) promoting justifiable economic and social development”*

In addition to the above, there are numerous other statutes that give a defined role to municipalities in the conservation and sustainable development of the environment. There are also statutes that regulate the way in which the municipalities perform their functions to mitigate negative impacts to the environment.

Nama Khoi Municipality consciously strives to conserve the natural environment by minimising the impact of its own activities. It also strives to minimise the impact of other parties' activities through the utilisation of mechanisms provided by law. There are a number of factors that impact on the environment, one of the most critical being poverty which forces impoverished people to rely on natural resources which are often used unsustainably. Conversely private and public development initiatives which are needed to address poverty also have the potential to impact negatively on the environment. The challenge that the Municipality faces is to ensure that all development is done in a sustainable manner. Two aspects of particular importance to the Municipality because of their integral link to the local economy are the protection of its biodiversity and climate change.

1.3.3 SERVICE DELIVERY OVERVIEW

A. WATER

The functions of the Municipality are set out in Section 156, read together with Schedules 4B and 5B of the Republic of South Africa Constitution Act, Act 108 of 1996.

Basic Service delivery focuses primarily on the provision of electricity, water, sanitation and waste collection. These services underlie the delivery of housing which is a concurrent Provincial and National Government competency. The Municipality has been providing basic services in accordance with the minimum prescribed levels.

Due to the ageing infrastructure and frequent failure of pipelines the Minister of Water Affairs appointed the Sedibeng water board (SWB) in January 2010 for the upgrade of the infrastructure.

B. ELECTRICITY

The Municipality is responsible for the distribution of electricity in all urban areas except Kommagas, Buffelsrivier, Steinkopf and Goodhouse. ESKOM distributes electricity to the areas not serviced by the Municipality. The Municipality is not making any use of alternative energy sources at this stage. There are private energy suppliers in process of submitting tenders to the Department of Minerals and Energy to provide alternative energy into the national grid.

All existing households within the Municipality's area of supply have access to minimum standards of electricity and get their first 50Kwh free. There is also street lighting in all towns.

The IDP Public Participation process revealed that there are areas within the Municipal and ESKOM Supply Area where existing services need to be upgraded. There is also a need for enhanced maintenance of street lighting. Housing backlogs, the need for improved service levels and the need for development necessitate that the Municipality urgently upgrade its electrical service infrastructure.

D. SOLID WASTE REMOVAL

Waste removals for all households are being done once per week. Removals for big businesses are being done as requested during the period under review. The key service delivery for solid waste removal is 100%.

D. HUMAN SETTLEMENT (HOUSING)

Housing is a concurrent National and Provincial competency in terms of Part A of schedule 4, of the Constitution. Section 10 of the Housing Act, Act 107 of 1997, sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complex function that relies on high levels of cooperation between the municipality and the Provincial and National Departments responsible for housing.

E. ROADS

The roads are currently in a very bad state with a lot of potholes. The project has been funded by MIG and the Total cost is R. Projects were undertaken within the following towns:

- Buffelsrivier
- Concordia
- Okiep
- Matjieskloof

F. LOCAL ECONOMIC DEVELOPMENT

In order for Local Economic Development (LED) to be effective, a community needs to identify and consider its own economic strengths, weaknesses, opportunities and threats, and agree a shared strategy.

LED strategic planning offers communities the opportunity to work together to improve the local economy and enhance competitiveness, thereby encouraging sustainable and inclusive growth.

The LED strategy is not intended to be prescriptive, but rather, aims to offer an example of how to facilitate strategic planning for local economic development as an integral component of the municipality.

LED is an innovative bottom up approach to generating economic growth that is equitable and sustainable through unleashing the economic potentials of our municipality. LED has comparative advantages whose potentials can be enhanced if actions are taken to tackle the bottlenecks currently inhibiting our achievement.

Mining was one of the biggest contributors to job creation in our municipality and with the downscaling of mining activities in Nama Khoi we as a municipality with the district

municipality; regional and provincial departments must take hands to tackle the big monster on poverty. Currently we are looking at the mines Social and Labour plans as a method or a tool to support communities living in area. The Social and Labour Plans are the social responsibilities of these mines companies.

Agriculture and small farming is mushrooming in our municipality and we think this is new born to replace the job losses that hit us by the declining in the mining sector.

The Expanded Public Works Programme (EPWP) is one of the many programmes offered by the Provincial department of Public works to our municipality. The EPWP aims to provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities at the EPWP.

The aim of EPWP:

- To bring the unemployed into a temporary working environment.
- The unemployed will obtain skills and gain work experience.
- The unemployed will receive a stipend (allowance).
- To enhance their chances of future employment and/or trigger their "entrepreneurial spirit".

Both programmes are highly labour intensive and we created jobs.

1.3.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

2

Human resources are the Municipality's most valuable resources, without which we would not be able to render services.

A MANAGEMENT OVERVIEW

3

The Municipal Manager is appointed on a fixed term contract in terms of Section 57 of the Municipal Systems Act 32 of 2000 and the seven Heads of Departments are appointed on permanent contracts. Employment contracts and performance agreements are in place for the Municipal Manager and all Heads of departments reporting to the Municipal Manager.

B WORKFORCE OVERVIEW

The Municipality has a total of 378 funded positions on its structure as at 30 June 2014. The staff turnover rate was 7% for the year which is a substantial increase from the previous year.

C EMPLOYMENT EQUITY

The Municipality does have an Employment Equity Plan that was submitted to the Department of Labour. The Challenge associated with the implementation of Employment Equity Plan is our inability to attract suitably qualified women candidates in senior

management positions.

D HUMAN RESOURCE POLICIES AND PLANS

All policies and plans required by legislation are in place and there are a number of other policies in place to maintain harmonious labour relations.

1.3.5 FINANCIAL HEALTH OVERVIEW

FINANCIAL HEALTH OVERVIEW

The following table provides an overview of our financial situation. The maintenance of a healthy cash flow was one of our key challenges. The Municipality has a number of operating ratios and indicators to enable it to benchmark its financial performance. The following table provides an overview of the key ratios and indicators:

FINANCIAL POSITION

TABLE: ASSET MANAGEMENT/ UTILISATION

	NORM/RANGE	2014/15
CAPITAL EXPENDITURE TO TOTAL EXPENDITURE	10-20%	
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS (CARRYING VALUE)	0%	
REPAIR AND MAINTENANCE AS A % PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CARRYING VALUES)	8%	

DEBTORS MANAGEMENT

	NORM/RANGE	2014/15
COLLECTION RATE	95%	
BAD DEBTS WRITTEN-OFF AS % OF PROVISION FOR BAD DEBT	100%	
NET DEBTORS DAYS	30 DAYS	

LIQUIDITY

	NOM/RANGE	2014/15
CASH/ COST COVERAGE RATIO (EXCL. UNSPENT CONDITIONAL GRANTS)	1-3 MONTHS	
CURRENT RATIO	1.5- 2:1	

LIABILITY MANAGEMENT

	NOM/RANGE	2014/15
CAPITAL COST (INTEREST PAID AND REDEMPTION) AS A % TOTAL OPERATING EXPENDITURE	6-8%	
DEBTS (TOTAL BORROWING)/ REVENUE	45%	

FINANCIAL PERFORMANCE**A. EFFICIENCY**

	NORM/ RANGE	2014/15
NET OPERATING SURPLUS MARGIN	= OR 70%	
NET SURPLUS/ DEFICIT ELECTRICITY	0-15%	
NET SURPLUS/ DEFICIT WATER	=OR >0%	
NET SURPLUS/DEFICIT REFUSE	=OR >0%	
NET SURPLUS/ DEFICIT SANITATION/ WASTE WATER	=OR >0%	

DISTRIBUTION LOSSES

	NORM/RANGE	2014/15
ELECTRICITY DISTRIBUTION LOSSES (PERCENTAGE)	7-10%	
WATER DISTRIBUTION LOSSES (PERCENTAGE)	15-30%	

REVENUE MANAGEMENT

	NORM/RANGE	2014/15
GROWTH IN NUMBER OF ACTIVE CONSUMER ACCOUNTS	NONE	
REVENUE GROWTH (%)	=CPI	
REVENUE GROWTH (%) -EXCLUDING CAPITAL GRANTS	=CPI	

EXPENDITURE MANAGEMENT

	NORM/ RANGE	2014/15
CREDITORS PAYMENT PERIOD (TRADE CREDITORS)	30 DAYS	
IRREGULAR, FRUITLESS AND WASTEFUL AND UNAUTHORISED EXPENDITURE /TOTAL OPERATING EXPENDITURE	0%	
REMUNERATION AS % OF TOTAL OPERATING EXPENDITURE	25-40%	
CONTRACTED SERVICES % OF TOTAL OPERATING EXPENDITURE	2-5%	

GRANT DEPENDENCY

	NORM/ RANGE	2014/15
OWN FUNDED CAPITAL EXPENDITURE (INTERNALLY GENERATED FUNDS + BORROWING) TO TOTAL CAPITAL EXPENDITURE	NONE	
OWN FUNDED CAPITAL EXPENDITURE (INTERNALLY GENERATED FUNDS) TO TOTAL CAPITAL EXPENDITURE	NONE	
OWN SOURCE REVENUE TO TOTAL OPERATING REVENUE (INCLUDING AGENCY REVENUE)	NONE	

BUDGET IMPLEMENTATION

	NORM/ RANGE	2014/15
CAPITAL EXPENDITURE BUDGET IMPLEMENTATION INDICATOR	95-100%	

OPERATING EXPENDITURE BUDGET IMPLEMENTATION INDICATOR	95-100%	
OPERATING EXPENDITURE BUDGET IMPLEMENTATION INDICATOR	95-100%	

1.3.6 REPORTS OF THE AUDITOR GENERAL

Municipal financial statements must be submitted to the Auditor General for auditing in term of Section 126 of the Municipal Finance Management Act, Act 56 of 2003. The Auditor General is required to submit an Audit Report on the Municipal Manager which contains one of the following opinions:

- An unqualified opinion (Clean audit)
- An unqualified opinion with emphasis of matter or other matters. (These matters do not affect the auditor's opinion on whether the financial statements are fairly presented).

Modified opinions of which there are three types namely

- A qualified opinion which is expressed when the auditor concludes that an unqualified opinion cannot be expressed but that the effect of any disagreement with management regarding departures from the financial reporting framework, or a limitation of scope, is not so material and pervasive as to require an adverse opinion or a disclaimer of opinion.
- An adverse opinion is expressed when the effect of a disagreement with management regarding departures from the financial reporting framework is so material and pervasive to the financial statements that the auditor concludes that a qualification of the report is not adequate to disclose the misleading or incomplete nature of the financial statements.
- A Disclaimer of opinion which is expressed when the possible effect of a limitation of scope is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence to form an opinion and accordingly is unable to express an opinion on the financial statements.

Nama Khoi Municipality has received Disclaimers for seven (7) years and eventually a qualified audit report for 2013/2014. The outcome of the Auditor General report for the 2014/15 will be announced and distributed as soon as finalized.

The Municipality is however committing itself with the goal of achieving a clean audit and improves on its strategic objective assigned in terms of Section 217 of the Constitution, 1996 to achieve its mandate for a clean administration.

In order to achieve its objective on outcomes set, the following measures will be implementing to improve the next financial period outcome:

- Implementation of weekly meetings.
- Development of an audit action plan in order to identify, implement and actively monitor the root causes of all audit findings reported by the Auditor-General at the management report level,
- Addressing Internal Audit and Audit Committee findings and recommendations.
- Clearing prior years' findings.

1.3.7 STATUTORY ANNUAL REPORT PROCESS

STATUTORY ANNUAL REPORT PROCESS

INTRODUCTION AND OVERVIEW-LEGISLATIVE IMPERATIVES

The Municipal Finance Management Act (MFMA) requires that a municipality prepares an Annual Report for each financial year. The Annual Report is a measure of ensuring that there is regular, impartial feedback to stakeholders and that accountability and transparency is strengthened.

Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out performance of the municipality and its external service providers, providing a comparison between targets and performance in the previous financial year and improved measures taken. The annual performance report must form part of the annual report.

The legislative provisions of the MFMA regarding annual reporting are set out in the following table:

SECTION	REQUIREMENT	LEGISLATIVE PROVISION
121(3)(a)	Annual Report with consolidated financial statements	Annual financial statements of the municipality, and, in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1)
121(3)(b)	Auditor-General's audit report	Auditor-General's audit report in terms of section 126(3) on those financial statements
121(3)(c)	Annual performance report	Annual performance report of the municipality prepared

		by the municipality in terms of section 46 of the Municipal Systems Act
121(3)(d)	Auditor-General's performance audit report	Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act
121(3)(e)	Accounting Officer's assessment on arrears	Assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges
121(3)(f)	Accounting Officer's assessment of performance on each vote of the budget	Assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for each vote in the municipality's approved budget for the relevant financial year
121(3)(g)	Audit corrective action	Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)
121(3)(h)	Explanations to clarify financial statements	Explanations that may be necessary to clarify issues in connection with the financial statements
121(3)(i)	Other information	Information as determined by the municipality
121(3)(j)	Audit Committee recommendations	Recommendations of the municipality's Audit Committee
121(3)(k)	Other prescribed information	Other information as may be prescribed

MFMA requirements for the Annual Report

The 2014/15 Annual Report reflects on the performance of the Nama Khoi Municipality for the period 1 July 2014 to 30 June 2015.

The Nama Khoi Municipal Council has implemented a five-year plan, the Integrated Development Plan (IDP), determining how it will spend its budget from 2012/13 until 2016/17. This principal strategic planning instrument is agreed upon between local government and the residents of Nama Khoi.

It informs the Council's contribution to joint undertakings with Provincial and National Government. The basis of the five-year plan is infrastructure-led economic growth – using services and investments to make Nama Khoi Municipality more attractive to investors and skilled workers.

This will create more opportunities for all citizens, including the poor and unemployed. The overall five-year plan is reviewed annually as new challenges and opportunities arise. In order to measure and report on actual performance against its targets, the Council uses the Service Delivery and Budget Implementation Plan (SDBIP) and the critical components of the balanced scorecard methodology to cascade strategy down into the lower levels of the organisation.

The Council has also aligned itself with national financial objectives by incorporating the national performance indicators into the corporate scorecard, which is monitored regularly.

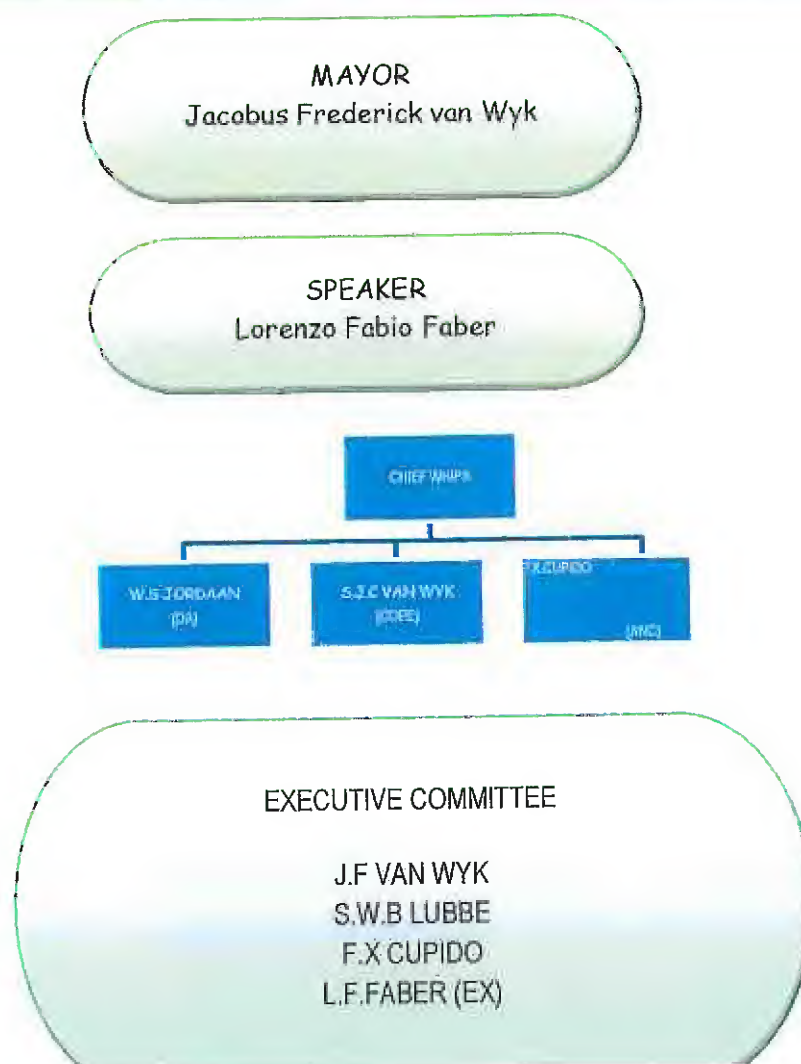
CHAPTER 2 – GOVERNANCE

PART A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

In accordance with Section 40 of the Republic of South Africa Constitution Act, Act 108 of 1996 our government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. The various spheres of government are required to adhere to the principles of cooperative governance as set out in the Constitution and the Intergovernmental Relations Framework Act, Act 13 of 2005. Nama Khoi Municipality is an organ of state within the local sphere of government.

The Constitution states furthermore that the executive and legislative authority of a municipality is vested in its municipal council and that a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution (Section 153(2&3)). Municipal councils may exercise their authority within an area of jurisdiction as determined by the Municipal Demarcation Act in terms of the Local Government: Municipal Demarcation Act, 1998.

2.1 POLITICAL GOVERNANCE STRUCTURES



2.1.1 THE MUNICIPAL COUNCIL



Front row: Councillors SW Lubbe(DA), LF Faber(Speaker), JF van Wyk(Mayor), FX Cupido(ANC)

Middle row: Councillors GY Pieters(ANC), SD Hoskin(ANC), WJ Goedeman(DA), KS Ventura(Cope), S Kleinbooi(ANC), G Coetzee(DA), M Diedericks(Cope), SJC van Wyk(Cope)

Back row: Councillors EF Maritz(ANC), G Cloete(ANC), WS Jordaan(DA), HS Apollis(ANC), R Kritzing(DA)

Municipalities face enormous challenges to deliver services to its citizens. Municipalities are required to fight poverty, strengthen local businesses, promote local democracy, and improve infrastructure and utilities – water, sanitation, electricity, health services, environmental protection and transport. Depending on the different social and economic challenges municipalities' faces, it is necessary for each municipality to focus and improve on the responsibilities that they are able to deliver.

Good Governance is to achieve the goals of human development governed by human rights principles, i.e. equality and non-discrimination, participation and inclusiveness, accountability and the rule of law political governance

The Constitution S151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The challenge thus for Nama Khoi Municipality is therefore to improve on its mandate to build a strong organization, capable of delivering on the principles as set out in Section 53 of the constitution which states:

"...a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community, and participate in national and provincial development programmes."

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

During this period, the municipality faces a lot of challenges:

- Council didn't convene meetings for 10 months.
- The successful implementation of the *Batho Pele* principles on all levels of the organization such as performance management; client satisfaction surveys and service delivery improvement programmes.
- Effective functionality of ward committees.
- Broader public participation of policies and plans.
- Utilization of the complaints management system.

COUNCIL

MFMA S52 (a) states: The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

The council performs both legislative and executive functions. The focus is on legislative, oversight and participatory roles, which have delegated its executive function to the Mayor and Mayoral Committee. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE (Annexure A)

Table: Information of councillors for the period 2014/15

Council Members	Full/ Part Time	Capacity	Party Rep.	Attended	Apologies	Absent
JF van Wyk	F	Mayor / PR	ANC	16	0	0
LF Faber	F	Speaker/PR	ANC	16	0	0
HS Apollis	P	Ward 1	ANC	16	0	0
E F Maritz	P	Ward 2	ANC	16	0	0
F X Cupido	P	Ward 3	ANC	14	2	2
R Kritzingen	P	Ward 4	DA	13	1	1
S Kleinboo	P	Ward 5	ANC	16	0	0
G Cloete	P	Ward 6	ANC	16	0	0
S D Hoskin	P	Ward 7	ANC	12	2	4
W J Goedeman	P	Ward 8	DA	15	1	1
G Y Pieters	P	Ward 9	ANC	16	0	0
M Diedericks	P	PR	Cope	14	0	0
S J C van Wyk	P	PR	Cope	16	0	0
K S Ventura	P	PR	Cope	11	4	5
W S Jordaan	P	PR	DA	14	2	2
G J Coetzee	P	PR	DA	15	1	1
SWB Lubbe	p	PR	DA	11	5	5

TABLE: Council Meetings

Description	No. of meetings	Meeting dates
General meetings	4	31 July 2014 14 October 2014 11 December 2014 9 April 2015
Special Meetings	12	03 July 2014 15 August 2014 4 September 2014 16 September 2014 3 December 2014 22 January 2015 24 February 2015 18 March 2015 30 March 2015 29 April 2015 26 May 2015 4 June 2015
TOTAL COUNCIL MEETINGS		16

2.1.2 WARD COMMITTEES

WARD MEETINGS 2014/15

WARD	WARD COUNCILOR	NUMBER OF MEETINGS	MEETING DATES
1	HS APOLLIS	2 Community meetings 3 Ward committee meetings	05 October 2014 01 February 2015 10 September 2014 03 October 2014 02 February 2015 15 May 2015
2	EF MARITZ	4 Ward committee meetings	30 October 2014 16 March 2015
3	FX CUPIDO	1 Ward committee meeting	26 November 2014
4	R KRITZINGER	1 Ward	09 April 2015

		committee meetings	27 May 2015
5	S KLEINBOOI	1 Community meeting 5 Ward committee meetings	03 July 2014 28 July 2014 01 September 2014 17 November 2014 11 Mei 2015
6	G. CLOETE	7 Ward committee meetings	29 July 2014 10 September 2014 06 November 2014 17 February 2015 02 March 2015 07 April 2015 14 May 2015
7	SD HOSKIN	3 Ward committee meetings	13 May 2015 14 May 2015 13 July 2015
8	WJ GOEDEMAN	2 Ward committee meetings	20 October 2014 15 January 2015 13 April 2015 18 May 2015
9	GY PIETERS	4 Ward committee meetings	5&6 May 2015 25 May 2015 22 June 2015 27 July 2015

2.1.3 PORTFOLIO COMMITTEES

COMMITTEE MEETINGS

Section 80 committees are permanent committees that specialize in specific functional areas of the Municipality. They advise the executive committee on policy matters and make recommendations to council. Section 79, which are temporary committee members, are set up to investigate a particular issue and do not have any decision making powers, but can make recommendations to council.

The portfolio committee meetings for the 2014/15 term as follows:

TABLE: Committee Meetings

CONTENT	EXECUTIVE COMMITTEE	INFRASTRUCTURE COMMITTEE	ECONOMIC INSTITUTIONAL COMMITTEE	SOCIAL COMMITTEE	MPAC
Number of meetings/reports submitted to council	9	5	5	5	1
Dates of meetings	23 July 2014 02 October 2014 02 December 2014 29 January 2015 04 March 2015 17 March 2015 07 April 2015 30 April 2015 25 June 2015	09 July 2014 11 September 2014 25 November 2014 11 March 2015 01 June 2015	14 July 2014 09 September 2014 20 November 2014 05 March 2015 14 May 2015	10 July 2014 12 Sept 2014 08 March 2015 26 May 2015	24 March 2015

2.1.4 OTHER COMMITTEES

AUDIT COMMITTEE AND PERFORMANCE AUDIT COMMITTEE

The Municipal Finance Management Act, Act 56 of 2003 (MFMA) requires municipalities to have an audit committee. Sections 166 (1) and (2) sets out the functions of an audit committee;

- 1) *"An audit committee is an independent advisory body which must –*
 - a) *Advise the council, political office bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity on matters relating to –*
 - i. *Internal financial controls and internal audits*
 - ii. *Risk management*
 - iii. *Accounting policies*
 - iv. *The adequacy, reliability and accuracy of financial reporting and information*
 - v. *Performance management*
 - vi. *Effective governance*
 - vii. *Compliance with the Act, the annual Division of Revenue Act and any other applicable legislation*
 - viii. *Performance evaluation; and*
 - ix. *Any other issues referred to it by the municipality or municipal entity*
 - b) *Review the annual financial statements to provide the council of the municipality with an*

authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;

- c) Respond to council on any issues raised by the Auditor-General in the audit report;*
- d) Carry out investigations into the financial affairs of the municipality as the council may request;*
- e) Perform such other functions as may be prescribed”;*

Section 40 of the Municipal Systems Act, Act 32 of 2000 requires municipalities to establish mechanisms to monitor and review their performance. The Local Government Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001) requires municipalities to establish a performance audit committee for this purpose. The functions of the performance audit committee are as follows:

“4(a) a performance audit committee must:

- (i) review the quarterly reports submitted to it by the internal auditors, dealing with quarterly reports, which the internal auditors are required to submit to the municipal manager and the performance audit committee;*
- (ii) review the municipality’s performance management system and make recommendations in this regard to the council of that municipality; and*
- (iii) at least twice during a financial year submit an audit report to the municipal council concerned.*

(b) In reviewing the municipality’s performance management system in terms of (a)(ii), the performance audit committee must focus on economy, efficiency and effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

(c) A performance audit committee may –

- (i) communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned;*
- (ii) Access any municipal records containing information that is needed to perform its duties or exercise its powers;*
- (iii) request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and*
- (iv) investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.”*

NAMA KHOI MUNICIPALITY: AUDIT COMMITTEE

The Nama Khoi Municipality Audit Committee has been established by Council as an independent committee in terms of section 166 of the Municipal Finance Management Act, 56 of 2003. The committee has adopted a formal Audit Committee Charter, which is annually updated and approved by Council.

Composition of the Audit Committee and attendance of meetings

All minutes of the Audit Committee are signed off by the Chairperson 14 days after the meeting and minutes of all meetings are submitted to Council quarterly. The Audit Committee Charter was reviewed on for the financial year 2014/2015.

The following members serve currently on the audit committee:

Composition of the Audit Committee and attendance of meetings

All minutes of the Audit Committee are signed off by the Chairperson 14 days after the meeting as per paragraph 7.2 of the Audit Committee Charter and minutes of all meetings are submitted to Council quarterly. The Audit Committee Charter was reviewed on 22 August 2014 for the financial year 2014/2015.

Name	No of meetings attended	Meetings held 2014/2015	Description
<u>The following members served on the audit committee for the period July 2014-July 2015:</u>			
Mr CM Jager (Chairperson)	5	22 August 2014	Audit committee meeting.
Mr HJS Stone (Deputy Chairperson) [Resigned 31 July 2015]	5	22 August 2014	Annual evaluation of the internal audit unit by the Audit committee.
Mr JP Vollgraaff [Resigned 25 November 2014]	2	28 August 2014	Annual evaluation of the Audit committee by the Council /
Vacancy was advertised already in June 2014 and applications submitted to Council, but the vacancy was not filled up to end of July 2015 by Council.]			Compile Annual report by the audit committee, As required by Sec 121 of MFMA.
<u>A shared service Audit Committee with the Namaqua District Municipality was established as from 30 July 2015 per Council resolution SRV067/07/2015.</u>		25 November 2014	Audit committee meeting.
		17 April 2015	Audit committee meeting.
		9 June 2015	Audit committee meeting.

<u>The following members serve on the new shared service audit committee as from 30 July 2015:</u> Mr SG Fortuin (Chairperson) Ms ME Basson Mr G Maarman			
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No annual report by the audit committee was submitted for 2014/2015 financial year due to the appointment of a new audit committee by Council in July 2015, a shared service audit committee with the Namaqua District Municipality.

2.1.5 PURPOSE OF PORTFOLIO COMMITTEES

COMMITTEES (OTHER THAN MAYOR/EXECUTIVE COMMITTEES AND PURPOSE OF COMMITTEES)	
Municipal Committees	Purpose of Committee
Economic Institutional Committee	Make recommendation to Council: Financial reports- (sec 71 report) The Financial Services Committee discusses matters concerning the finances of the Municipality before submission to the Mayoral Committee for approval
Infrastructure Committee	Recommendations to Council: land use- (purchase, lease agreement) spatial development, technical services The Technical Services Committee discusses matters concerning the Directorate Technical Services of the Municipality before submission to the Mayoral Committee for approval.
Social Committee	Recommendations to Council: Community aspects with reference to: libraries, sport grounds. Community Services Committee discusses matters concerning the Directorate Community Services of the municipality before submission to the Mayoral Committee for approval.

MPAC	Oversight over the administration and executive
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2.1.6 OVERSIGHT COMMITTEE

Section 127 (2) of the Municipal Finance Management Act, 53 of 2003 requires the Mayor to table the Municipality's Annual Report by the end of January each year. Section 129 of the same Act requires the Council to adopt an Oversight Report within two months of the Annual Report having been tabled which means that the Oversight Report must be tabled by 31 March of each year.

Section 46 of the Municipal Systems Act requires the Municipality to prepare a Performance Report for each financial year which reflects the performance of the Municipality and each of its external service providers during that financial year, as measured against predetermined targets as well as the performance of the previous year. The Annual Performance Report must form part of the Municipality's Annual Report in terms of Section 127 (1) of the Municipal Finance Management Act (MFMA).

MFMA Circular 32 of 2006 prescribes the oversight process and the establishment of the Oversight Committee. The Oversight Committee must be appointed in terms of Sections 33 and 79 of the Municipal Structures Act, Act 117 of 1998. This means that the Council must determine the functions of the Committee and appoint the Chairperson. The Council may also delegate powers and duties to the Committee, authorise the Committee to co-opt advisory members, and remove a member at any time. The functions of the Oversight Committee are as follows:

- a. To undertake a detailed analysis and review of the Municipality's Annual Reports;
- b. To consider inputs from the Council, Portfolio Committees and Public on the Municipality's Annual Reports;
- c. To consider inputs from the Municipality's Audit Committee and Performance Committees as well as the Auditor General on the Municipality's Annual Reports; and
- d. To draft an oversight report on the Municipality's Annual Reports"

2.1.7 OFFICE OF THE SPEAKER

The Municipal Council is chaired by the Speaker, Lorenzo Fabio Faber
The Municipal Structures Act, Act 118 of 1998 (Section 37) requires the Speaker of a municipal council to;

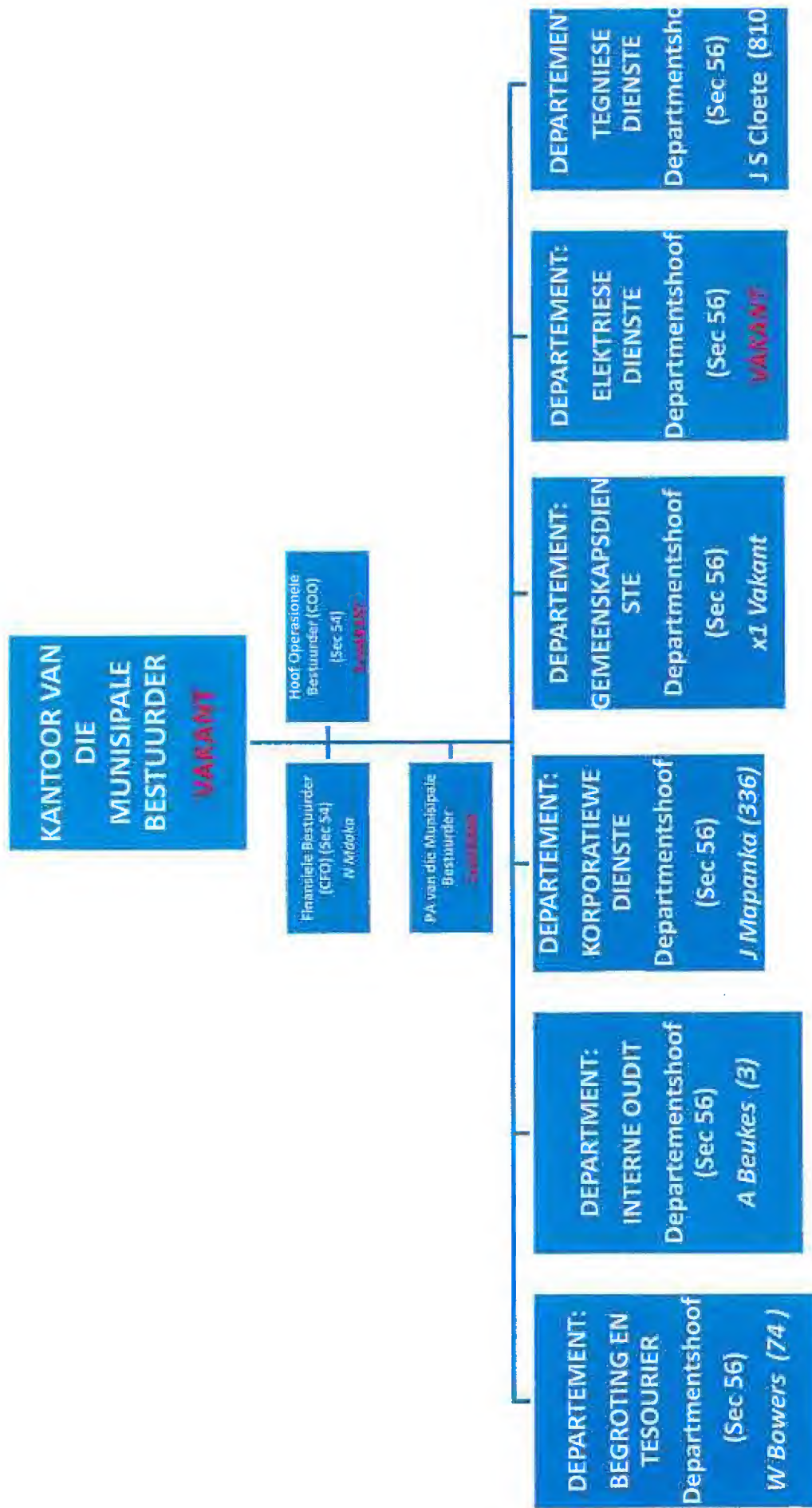
- (a) preside at meetings of the council;

- (b) perform the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government : Municipal Systems Act (Act 32 of 2000);
- (c) ensure that the council meets at least quarterly;
- (d) maintain order during meetings;
- (e) ensure compliance of with the Code of Conduct set out in Schedule 1 of the Local Government : Municipal Systems Act (Act 32 of 2000); and
- (f) ensure that council meetings are conducted in accordance with the rules and orders of the council.

2.2 ADMINISTRATIVE GOVERNANCE

ADMINISTRATION STRUCTURE FOR THE PERIOD 2014/15

The Municipal Manager is the Head of the Administration and Accounting Officer of the Municipality, and is primarily responsible for service delivery. The administration comprises the Office of the Municipal Manager and 7 Departments namely a Corporate Services, Financial Services, Planning and Development Services, Technical Services, Community Services, Electrical Services and Economic and Strategic Development. The Municipal Managers office comprises the Performance Management, Risk Management and the Head Internal Audit.



PART B: INTERGOVERNMENTAL RELATIONS

2.3 Intergovernmental Relations

PART C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC PARTICIPATION

Public participation is defined as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is further defined as a democratic process of engaging people, deciding, planning, and playing an active part in the development and operation of services that affect their lives. Our primary public participation mechanisms are our Ward Committees and public meetings.

Our biggest challenge lies in improving the participation of our community in all aspects of municipal governance. The Municipality has a Communication Policy in place which will be reviewed in the 2015/16 financial year. We have also initiated a SMS/ Email notification system.

2.4.1 PUBLIC MEETINGS

The Municipality only held one series of public meetings during the financial year;

The public meeting was held in April 2015 to:

- Explain the IDP / Budget process

Notice of meetings differed from ward to ward but entailed a combination of the following methods depending on the communication preferences of the Ward: Newspaper Adverts (Die Plattelander and Die Namakwalander), municipal notice boards and church announcements

DATE	TOWNS	TIME	VENUE
13 April 2015	Bergsig	18h00	Libra Hall Bergsig
15 April 2015	Nababeep	18h00	Junior Club Hall
20 April 2015	Steinkopf	18h00	Steinkopf Community Hall
20 April 2015	Bulletrap	14h00	Bulletrap Community Hall
22 April 2015	Rooiwal	10h00	Rooiwal Community Hall
22 April 2015	Vioolsdrift	14h00	POF Office
24 April 2015	Goodhouse	10h00	Community Hall
14 April 2015	Concordia	18h00	Concordia Community Hall
21 April 2015	Matjieskloof	18h00	Church Hall
16 April 2015	Vaalwater	18h00	Vaalwater Community

			Hall
15 April 2015	Springbok	18h00	Springbok Hall
14 April 2015	Carolusberg	18h00	Carolusberg Rec Club
20 April 2015	Komaggas	18h00	Council Hall
20 April 2015	Buffelsrivier	14h00	Buffelsrivier Community Hall
16 April 2015	Okiep, Rooiwinkel, Skietbank	18h00	Okiep Rec Club

2.4.2 WARD MEETINGS

Ward Committees are statutory committees established in terms of Part 4 of Chapter 4 of the Local Government Municipal Structures Act, Act 117 of 1998. Ward committees play a vital role in bridging the gap between the Community and the Municipality. Ward Committees are not political but are nevertheless elected for a period of five years that runs concurrently with the term of office of the Municipal Council.

The Municipal Council approved a Ward Committee Policy in September 2011, and Ward Committees for each ward were elected in accordance with this policy. The Municipal Council also approved an out of pocket expense fee structure for Ward Committees.

WARD	WARD COUNCILOR	NUMBER OF MEETINGS	MEETING DATES
1	HS APOLLIS	5 Community meetings 6 Ward committee meetings	05 October 2014 01 February 2015 10 September 2014 03 October 2014 02 February 2015 15 May 2015
2	EF MARITZ	7 Ward committee meetings	30 October 2014 16 March 2015
3	FX CUPIDO	2 Ward committee meeting	26 November 2014
4	R KRITZINGER	2 Ward committee meetings	09 April 2015 27 May 2015
5	S KLEINBOOI	3 Community meeting 5 Ward committee meetings	03 July 2014 28 July 2014 01 September 2014 17 November 2014 11 Mei 2015
6	G. CLOETE	7 Ward committee	29 July 2014

		meetings	10 September 2014 06 November 2014 17 February 2015 02 March 2015 07 April 2015 14 May 2015
7	SD HOSKIN	3 Ward committee meetings	13 May 2015 14 May 2015 13 July 2015
8	WJ GOEDEMAN	4 Ward committee meetings	20 October 2014 15 January 2015 13 April 2015 18 May 2015
9	GY PIETERS	5 Ward committee meetings	5&6 May 2015 25 May 2015 22 June 2015 27 July 2015

PART D: CORPORATE GOVERNANCE

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2.5 AUDIT UNIT

The Municipality has an Internal Audit Unit as required by Section 165(1) of the MFMA and a Head:Internal Auditor who reports to the Municipal Manager. Section 165 (2) of the MFMA requires the Head: Internal Auditor to:

- a) *"Prepare a risk-based audit plan and an internal audit program for each financial year;*
- b) *Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to—*
 - i. *internal audit;*
 - ii. *Internal controls;*
 - iii. *Accounting procedures and practices;*
 - iv. *Risk and risk management;*
 - v. *Performance management;*
 - vi. *Loss control; and*
- c) *Perform such other duties as may be assigned to it by the accounting officer".*

2.5.1 Internal Audit



MRS A M BEUKES

HEAD INTERNAL AUDIT

1. BACKGROUND

The internal audit unit and the audit committee were established respectively under the powers of section 165 and 166 of the Municipal Finance Management Act, 56 of 2003 [MFMA hereafter].

Internal Audit Unit [MFMA Section 165]

The internal audit unit is an independent, objective function and report administratively to the municipal manager and functionally to the audit committee. The internal audit unit has powers of recommendation only. The final decision to implement recommendations made by the internal audit unit rests ultimately with the heads of the specific departments, however, after the recommendation has been extensively debated and carries a significant risk for the municipality and it is decided by the head of department not to implement the recommendation, the specific head of department has to accept the risk [IIASA Std 2600]. The effectiveness of the Internal Audit Unit is annually evaluated by the Audit committee and disclosed in the Annual Report of Council [King III].

Audit Committee [MFMA Section 166]

The audit committee is an independent advisory body to the municipal Council. No employee or councillor is a member of the audit committee.

2. DEPARTMENTAL OBJECTIVES

The objective of internal audit is to assist members of the organisation in the effective discharge of their responsibilities as prescribed by relevant legislation and thus adding value to the organisation by evaluating the:

- Reliability and accuracy of financial reporting
- Effectiveness and efficiency of operations
- Safeguarding of assets

- Compliance with relevant legislation, council policies, by-laws and regulations
- Loss control
- Good Governance

3. PERSONNEL

The department currently consists of three staff members. Two position that have been vacant for an extended period have not been filled yet. The department is understaffed, taken into account that the municipality serves nineteen towns/settlements and 17,105 households.

4. ACTIVITIES

During the financial year under review the following activities were conducted:

Internal Audit Plan:

In terms of section 165(2)(a) of the Municipal Finance Management Act the internal audit unit of a municipality must prepare a risk-based audit plan and a three-year strategic plan.

All audit activities were based on the Council approved Risk Register, prioritised by the Head of Departments according to the severity of the risk exposure. Due to limited available resources several high risk areas could not be included in the coverage plans and Council did not provide additional resources.

Audits conducted:

- Transaction audits where the accuracy of accounting transactions were evaluated.
- System audits to evaluate if systems function according to council policies and statutory requirements, also to evaluate if adequate internal controls are put in place and regularly monitored and reported on.
- Contract audits to evaluate if obligations were met according to the contractual requirements.
- Compliance audits.
- Performance information audits.
- Cyclical audits.
- Follow-up audits.

5. STATISTICS-IMPLEMENTATION OF RECOMMENDATIONS[IIASA Std 2500]

A summary of the implementation of recommendations by:

- the audit committee, and
- internal audit, and accepted by senior management during the year under review and the implementation thereof by senior management under the direct supervision of the Municipal Manager on a continuous basis for the period ending 30 June 2015:

RECOMMENDATIONS BY	RECOMMENDATION S MADE	RECOMMEN- DATIONS IMPLEMEN TED	FUTURE IMPLEMEN- TATIONS	% IMPLEMEN TATION
The audit committee	170	28	6	16%
Internal audit	853	634	69	74%

Individual departments:

DEPARTMENT	RECOMMENDATION S BY INTERNAL AUDIT ACCEPTED BY MANAGEMENT	RECOMMEN- DATIONS IMPLEMEN TED	FUTURE IMPLEMEN- TATIONS	% IMPLEMEN TATION
Finance	329	210	37	64%
Corporate Services	170	125	23	74%
Community Services	161	154	3	96%
Technical Services	53	51	-	96%
Electricity Distribution Services	20	20	-	100%
Office of the Municipal Manager	120	74	6	62%
TOTAL	853	634	69	74%

Future implementations are due to insufficient funding/future planning/resolutions of the next Council meeting. Funding and planning to be addressed in the next budget process.

6. TRAINING 2014/2015

The Standards for the Professional Practice of Internal Auditing requires that continuing training is made available to all internal audit personnel (IIASA Std 1230).

External:

One staff member is enrolled for the IAT training course and two staff members are enrolled for the PIA training course through the Institute of Internal Auditors. The Head of Internal Audit has successfully completed the Competency modules as per MFMA regulation R493, Government Gazette 29967 of 15 June 2007. The other staff members are in process with the competency levels training.

Internal:

Informal training is conducted on a continuous basis, quarterly workshops are held and a mentorship program was developed to maximize capacity for all internal audit personnel.

Links to other institutions:

The Head of Internal Audit is a member of the following institutions:

The Institute of Internal Auditors (IIASA)	Membership No: 87982
The Institute of Municipal Financial Officers (IMFO)	242
The Institute of Local Government Management (ILGM)	2061

The following staff are members of the Institute of Internal Auditors (IIASA)

Ms AM Jansen	Membership No: 94489
Mr LL Engelbrecht	94490

Our sincere thanks to the the municipal Council, Audit committee and senior management for their support and co-operation during the year under review.



2.6 RISK MANAGEMENT



Miss Hazelene Fielding

Divisional Head Risk and Disaster Management

The Nama Khoi Local Municipality hereby commits itself to an integrated process of risk management that is aligned to the King III principles of good corporate governance, as supported by the Municipal Finance Management Act (MFMA), Act no 56 of 2003 and all other applicable laws and regulations

The Municipality recognizes risk management as an integral part of responsible management within the organization that must be implemented in an integrated manner within all departments, operations and processes with the overall objective of reducing risk, as far as reasonably practicable.

Furthermore, the Municipality recognizes that effective risk management is important for the fulfilment of its mission of providing an integrated municipal governance system for improved quality of life for its communities.

In terms of risk assessment, our role has been more on facilitating and providing guidance regarding risk identification, evaluation and identifying mitigating controls are already in place.

We subscribe to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery;
- A management system containing the appropriate elements aimed at minimizing risks and costs in the interest of all stakeholders;
- Education and training of all our staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations; and
- Maintaining an environment which promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

2.6.1 Management Top 10 Risks 2014/2015

No	Risks	Assigned To
1	Increase in outstanding debt	Budget and Treasury W Bowers
2	Inability to complete audits as outlined in the plan within the targeted timeframe	Budget and Treasury W Bowers
3	The overflow of existing oxidation ponds and illegal dumping of raw sewerage	Technical Service J S Cloete
4	Non alignment of the IDP to the National / Provincial planning guidelines	IDP/LED R C Hartley
5	Fruitless and Wasteful expenditure	Budget and Treasury W Bowers
6	Irregular Expenditure	Budget and Treasury W Bowers
7	Failure to ensure that all staff members have a job description	Corporate Service J Mapanka
8	Loss of Information – Lack of Back-up System - ITC	Corporate Service J Mapanka
9	Non-compliance of the National Treasury of managing programme performance information (FMPPi), Performance Regulations and Municipal System Act	Performance J Hollenbach
10	Non confidentiality of information	Corporate Service J Mapanka

2.7 ANTI- CORRUPTION AND FRAUD

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof if the response thereto acts as a deterrent.

An Anti-fraud and Corruption Policy was adopted and approved by Council in September 2010. The Municipality participated in workshops and surveys which were hosted by the Provincial Government and these assisted us to implement our policy, enhance the profile of fraud and corruption within the workplace and spread awareness.

The Municipality has an active Audit Committee. The meetings of the Audit Committee are attended by Senior Management and Council. The Committee is a statutory committee and functions in accordance with Section 166 of the Municipal Finance Management Act 56 of 2003. The Committee is an independent advisory board on internal financial controls and audits, risk and performance management, effective governance, etc.

Municipalities are encouraged to promote the principals of good governance, ethics and risk management. Raising awareness on good governance includes communication on anti-corruption strategies and highlighting the role of the community in the fight against unethical conduct, fraud and corruption.

Municipal employees as well as Councillors are expected to abide by the Code of Conduct for Employees and the Code of Conduct for Councillors. These codes include aspects such as general conduct, declaration of interests, council property, commitment to serving the public interest, etc.

Policies and procedures that are adopted by Council as part of human resources, finance and internal controls also focus on, and include prevention controls, detection controls and segregation of duties to ensure that fraud and corruption is prevented and detected. On a day to day basis these include physical controls, supervision and authorization controls and the proper management of information.

Implementing good governance, ethics, accountability as well as strategies and policies to prevent fraud and corruption is based on the principle that service delivery is the priority of the Municipality. Implementation of these principles and awareness are continuous processes aimed at ensuring that the interest and needs of the public are met.

2.8 SUPPLY CHAIN MANAGEMENT

Nama Khoi Municipality has established a Supply Chain Unit in line with the internal Supply Chain Management (SCM) Policy. The Local Government: Municipal Finance Management Act, No 56 of 2003, (the 'MFMA') requires the municipality to have and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

On the 30th May 2005 the Municipal Supply Chain Management Regulations were issued. As a Medium Capacity Municipality the Nama Khoi Municipality had to comply with the provisions of the Regulations from 01 January 2006. The SCM Policy, together with the applicable set of delegations was approved by Council on August 30, 2005 at a legally constituted Council meeting.

On a weekly basis, opportunities to submit quotations are advertised on the notice boards to enhance economic opportunities for HDI individuals in a fair and competitive environment.

Although the MFMA prohibits a councilor from being a member of a bid committee or any other committee evaluating or approving quotations, bids or tenders, the council has an oversight role to ensure that the accounting officer implements all supply chain management activities in accordance with this policy.

The calling for tenders to secure supplies of goods and services is an integral part of SCM, as legislation compels public institutions to procure goods and services through this process. A thorough knowledge of the different phases of the tendering process and the accompanying procedures is therefore necessary to ensure that public officials procure goods and services timeously and according to their requirements. In line with the Municipal Finance Management Act (MFMA), the Accounting Officer has approved the Bid Committees. The Municipality ensures that the tender process is fair, transparent and equitable and cost effective to all parties.

Revised Preferential Procurement Regulations, 2011 was promulgated by the Minister of Finance on 8 June 2011 in Government Gazette No 34350. These Regulations came into effect on 7 December 2011 and these Regulations are implemented on a continuous basis by NamaKhoi Municipality

The table below shows the implementation of the SCM policy:

Ref.	Details	Paragraphs of policy	Effective Dates
0.00	SCM policy adopted	SCM Policy adopted	31 August 2005
0.01	SCM policy amended (22 June 2006 as per council resolution 4.3)	12(1)(a);37(2)(c),43(3)	22 June 2006
0.02	SCM policy amended (6 November 2007 as per council resolution 6)	12(1)(a),43(1)	6 November 2007
0.03	SCM policy amended (19 November 2010 as per council resolution 3.1.24)	12(1)(a),	19 November 2010
	Revised SCM Policy adopted	Entire policy	SCM Policy was revised for 2014/2015 and during March 2015 for 2015/2016

SCM Deviation from Normal Procurement Processes

Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005									
Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)									
Type of Deviation	Amount	Total	Single Supplier	Single Supplier	Impractical	Impractical	Emergency	Emergency	
July	294,826	55	6	61,576	47	228,734	2	4,515	
August	1,604,494	66	13	931,778	51	626,432	2	46,264	
September	889,024	107	3	19,390	74	497,385	30	372,249	
October	1,183,688	129	17	107,613	70	499,715	42	576,361	
November	1,357,440	125	10	240,114	86	588,926	29	528,400	
December	421,976	59	2	51,404	53	296,918	4	73,654	
January	1,339,831	146	7	96,631	62	341,063	77	902,137	
February	293,541	47	2	7,684	28	115,285	17	170,572	
March	1,200,002	155	7	68,558	75	443,589	73	687,855	
April	1,122,105	70	3	11,239	57	433,469	10	677,397	
May	920,568	98	3	12,975	64	277,489	31	630,103	
June	1,247,918	112	3	14,218	56	280,639	53	953,061	
	11,876,412	1,169	76	1,623,179	723	4,629,643	370	5,622,589	

The Accounting Officer has appointed the Internal Auditor as an independent observer to observe the bidding process at a bid committee level and to report back to the Accounting Officer on the following issues:

1. Compliance with chapter 11 of the Municipal Finance Management Act (Act 56 of 2003);
2. Adherence to bid committee structures as stipulated in the Supply Chain Management regulations of
3. 2005 and the Municipality's Supply Chain Management Policy;
4. The applicable sections relating to points scoring and the evaluation of bids in terms of the Preferential

5. Procurement Policy Framework Act (Act 5 of 2005);
6. Compliance with the code of conduct for Supply Chain Practitioners and Bid Committee Members; and
7. To propose improvements to the bid committee system and process.

SCM Delegations & Policy

Paragraph 12(1)(c) of the SCM Policy were reviewed and amended on the 19 November 2010 during the year.

The Accounting Officer is responsible for implementing the policy and taking all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices. In terms of this responsibility Council needs to adopt a **full set of delegations** which assist in maximising the administrative and operational efficiency. The delegations also provide adequate checks and balances in the municipalities Supply Chain Management function. According to Section 79 and 106 of the MFMA delegations and sub-delegations in terms of sub-section 1 must be in writing.

Organisational Structure & Personnel

In terms of Paragraph 7 of the Municipal Supply Chain Management Regulations (MSCMR) the municipality must establish a Supply Chain Management Unit (SCMU) to implement its supply chain management policy. The SCMU must operate under the direct supervision of the Chief Financial Officer or may be delegated to an official in terms of Section 82 of the MFMA.

Snr Accountant: Expenditure - Supply Chain Management & Expenditure – B R Boois	Co-ordinates and controls the implementation of the SCM Policy Bid committees SCM Supplier Database Tenders and contracts
Assistant Accountant: Expenditure - Supply Chain Management & Expenditure – R Gertse	Assists with the co-ordinates and controls the implementation of the SCM Policy Bid committees SCM Supplier Database Tenders and contracts
Stores controller – C T Abrahams	Supply Chain Management Practitioner

	Processing of procedures for procurement up to R 30 000 – Request Quotations Processing of Orders Supervise staff in Stores Setting of Inventory levels Ensure that stock is safeguarded
Stores clerk – J Rooi	Processing of Stock Issues Receipt of Goods Issuing of fuel (Petrol & Diesel)
SCM Administrative clerk – P Van Den Heever	Processing of Orders SCM Database SCM Deviations

During the reporting period the staff complement that performed the duties and functions in terms of the SCM policy were as follows:

Official Designation	Experience and Qualifications	Training
B R Boois – Senior Accountant: Supply Chain Management & Expenditure	Higher education Completed a National Diploma (NQF Level 6) Passed Financial Accounting 3 (UNISA) BCOMPT degree: Financial Accounting (UNISA) Third level – complete degree in 2016 Work experience 01 July 2007 (Four years in position)	Certificate: SCM for Municipalities and municipal entities (12 credits) CMFM – Certificate in Municipal Finance (NQF Level 6)
R Jacobs - Assistant Accountant: Supply Chain	Work experience	Currently in process to complete CMFM – Certificate in Municipal Finance (NQF Level 6)

Management & Expenditure	01 July 2007 (Four years in position)	
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Competency Levels of the Supply Chain Management Unit

The following officials have been exposed to SCM training and workshops:

Demand Management

Demand Management is an interactive process to determine the demand levels required to meet the municipality's objectives. These objectives are reflected in the municipality's Integrated Development Plan (the 'IDP'), a comprehensive strategy document setting out how the municipality intends to address the development challenges in a specific financial year.

A procurement plan was compiled but no inputs was made by the departments.

Preferred Suppliers Database

In terms of the Municipal Financial Management Act (MFMA) (Act 56 of 2003) the Nama Khoi Municipality is required to have a Preferred Suppliers Database. Purchases for goods and services for the Municipality are made through the Preferred Suppliers Database and all current as well as interested suppliers were again requested to register on our database during the financial 2014/2015.

The current database application form has been improved and made much more accessible for council's financial management system. The challenge still remains to coerce suppliers in registering on the SCM Database

The Bid Committee System

The Bid Committee system for competitive bids has been actively applied within the municipality over the past financial year. Officials and experts are still being invited on an ad-hoc basis to participate in the committees as and when required, but with written delegations in order to participate in the committees.

Disposal Management

The municipality did not dispose of any of its assets during the year.

Performance of Contractors

Contractor performance is monitored on a monthly basis by the departmental heads who reports to council and the municipal manager on a regular basis.

SCM Registers

A register is maintained within every department to record all gifts received under the amount of R 350.00. No gifts were declared for the year under consideration.

A complaints register allows the community and suppliers to report to the Municipal Manager possible disputes of tenders, contracts, and quotations that need to be investigated for alleged corruption, nepotism, favoritism, and irregular procurement transactions. No successful appeals were lodge against the municipality for the year under consideration.

Logistics and warehousing

This section is responsible for acquisition, safekeeping and issuing of stock items and assets of the municipality. It is also responsible for record keeping of redundant items and tabling the annual stock take report to council.

Stocktaking was carried out and completed on the 30 June 2015. This figure is below the 10% of deviation limit and indicates improvement in stock control measures.

Highlights

Description	R - Value
Bids Awarded by the Bid Adjudication Committee	R 40,392,980.92
Formal price written quotations awarded by Municipal Manager	R 824,648.11
Bids Awarded by the Municipal Manager above R 10 Million	R 0-00
Irregular Expenditure for the year	R 4,098,923-00
Awards to Close Family Members of Persons in the Service of the State	None
Awards to persons in the service of the state	None
Resolution of Disputes, Objections, Complaints and Queries	None

Unsolicited bids (SCM Regulation 37)	None
Transversal contracts (SCM Regulation 32)	None
Gifts, Inducements, favours and Sponsorships (SCM Regulation 47 & 48)	None
Sponsorships	None
Has council adopted a supply chain management policy that complies with the SCM Regulations?	Yes
Has council delegated SCM powers and duties to the municipal manager as required in SCM Regulation 4?	Yes
Does the municipal manager report at least quarterly to the mayor and at least annually to council on implementation of the supply chain management policy? (SCM Regulation 6)	Yes
Has the municipal manager submitted monthly reports on contracts awarded above R100 000 to National Treasury for each of the months of this quarter? (Circular No 34)	Yes
If a tender other than one recommended in the normal course of implementing the SCM policy was approved during this quarter, has the municipal manager reported the approval of tenders not recommended and the reasons for deviating from such recommendation to the National Treasury, provincial treasury and Auditor-General? (s 114)	No

Challenges

- Lack of buy – in from departments regarding SCM issues
- Improving the turnaround time for Evaluation and Adjudication
- Confirmation that bidders is not in the service of the state
- Suppliers that do not want to register
- Training of committees on SCM
- **(Find attached Annexure K : SCM Annual Implementation Report 30 June 2015)**

2.9 BY-LAWS

Municipal By-laws are public regulatory laws which apply in the Municipal Area. Section 11(3) (m) of the Local Government Municipal Systems Act, Act 32 of 2000 empowers the Municipal Council with the legislative authority to pass and enforce Municipal By-laws. A Municipal Council may only pass By-laws on matters falling within its functional mandate. By-laws are superseded by Provincial and National legislation as well as the Constitution.

The main difference between a By-law and a law passed by National and Provincial Government is that a By-law is made by a non-sovereign body, which derives its authority from another governing body, and which can only be made in respect of specific matters within a specific geographic area. It is therefore a form of delegated legislation.

The status of a Municipal By-law is no different than to the status of any other law of the

land. Municipal by-laws are enforceable through the public justice system, penalties can be imposed and offenders can be charged with a criminal offence for breach of a by-law.

Nama Khoi Municipality promulgated the following By-laws on 17 April 2009 (Provincial Gazette No. 1293, Northern Cape Province)

- Law Enforcement
- Cemeteries
- Keeping of Dogs Control
- Keeping of Animals, Poultry and Bees Control
- Street Trading Control
- Advertising Signs
- Water Service
- Building Control
- Municipal Taxi Ranks
- Electricity
- Fire Brigade
- Refuse Removal
- Caravan Parks
- Swimming Pool
- Municipal Commonage
- Fireworks
- Traffic, Credit Control and Debt Collection
- Standing Orders
- Antenna Systems

LAW ENFORCEMENT\SECURITY

MUNICIPAL LAW ENFORCEMENT: 01 JULY 2014 to 30 JUNE 2015

This section consists of 08 members and one vehicle and is responsible for the enforcement of municipality by – laws throughout the Nama Khoi Municipal area.

Several law enforcement complaints was reported and investigated as follow:

TABLE : By – law relating to the control of dogs:

TOWNS	CASES REPORTED
Springbok	6
Bergsig	4
Matjieskloof	3
Carolusberg	3
Okiep	3
Nababeep	5
Bulletrap	NIL
Concordia	2

Steinkopf	1
TOTAL CASES REPORTED	27

TABLE: Dangerous dogs complaints and charged:

TOWNS	CASES REPORTED
Matjieskloof	3
Bergsig	5
Okiep	2
TOTAL COMPLAINTS CHARGED	10

*Pay of admission of guilt fine of R500,00.

TABLE: By – law relating to the dumping of storage of material and the prevention of nuisance:

TOWNS	CASES REPORTED
Springbok	4
Matjieskloof	3
Bergsig	6
Okiep	2
Nababeep	1
Concordia	2
Steinkopf	2
TOTAL CASES REPORTED	20

TABLE: By – law relating to the street trading and house shops without a valid trading license\permit:

TOWNS	CASES REPORTED
Springbok	R1 500.00
Matjieskloof	NIL
Okiep	R500.00
Concordia	NIL
Bergsig	R1000.00

By – law for the control of keeping of animals:

Above mentioned complaints attend in Concordia, Steinkopf, Buffelsrivier, Komaggas, Okiep, Nababeep and Bergsig.

TABLE: Criminal Charges of Municipal Property:

Criminal cases was reported, investigated and charged in Springbok Magistrate Court and was found guilty as charged.

TOWNS	CHARGED CASES
Steinkopf	6× Horses 24× Cows
Bergsig	NIL
Private farm Waterhoek se punt	33×Goats
Concordia	
Okiep	
Carolusberg	

- Visible policing, patrols duties and visiting of sites, take place on a daily basis.
Visiting CPS Payout points on a monthly basis in the different towns in the Nama Khoi Municipal area for the controlling of street trading permits.

ACCESS CONTROL

1. HEAD OFFICE MEMBERS

- Security members protect above mentioned building on a daily basis from 08:00 to 17:00
- When members of the public (visitors) enter the buildings they have to complete a visitors register before entering the building.
- The alarm & cameras system need upgrading.

2. THE SPRINGBOK SERVICE POINT

We have currently problems with the alarm system, but the cameras are functioning.
Security personnel protect the building between 08:00 to 17:00

There are also a visitors register.

The municipal workshop & store is electrical fence & cameras are not functional.

N.B Regular visits of the head offices. Check point main stores Municipal Show grounds & taxi rank are done by Mr.S. Ventura & the Division Head Mr. Booysen between 20:00 & 00:00 also after 00:00.

2.10 Websites

The Local Government Municipal Systems Act, Act 32 of 2000 (Section 21(B)) requires the Municipality to establish an official website. Nama Khoi Municipality's official website is; www.namakhoi.gov.za.

The Municipality is required to place all information that must be made public in terms of the Municipal Systems Act, Act 32 of 2000 and the Municipal Finance Management Act, Act 56 of 2003 (MFMA) on this Website. Section 75 of the MFMA specifies that the following documents must be placed on the Website;

TABLE : MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL

DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE	YES / NO
a) The annual and adjustments budgets and all budget-related documents	Yes
b) All current budget-related policies	Yes
c) The annual report 2013/14	Yes
d) Performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act	Yes
e) All service delivery agreements (2014/15)	Yes
f) All long-term borrowing contracts (2014/15)	Yes
g) All supply chain management contracts above R 100 000 for 2014/15	Yes
h) An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2014/15.	NA
i) Contracts agreed in Year 1 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	NA
j) Public-private partnership agreements referred to in section 120 made in 2014/15	NA
k) All quarterly reports tabled in the council in terms of section 52 (d) during 2014/15	Yes
l) Any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed	Numerous other documents were placed on website In compliance with legislation.

We will focus on the improvement of our website content and compliance with applicable legislation during the 2015/16 financial year.

Our Municipal Website is an important communication mechanism and is used for more than statutory communication. It is updated regularly, and contains a wealth of information on diverse topics such as account payments, policies, service information, documents, news, notices, vacancies and contact information.